**Section 4002.50 Annual Privacy Notice to Customers**

a) A licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship. Annually means at least once in any period of 12-consecutive months during which that relationship exists. A licensee may define the 12-consecutive-month period, but the licensee shall apply it to the customer on a consistent basis. If a licensee defines the 12-consecutive-month period as a calendar year and a customer opens an account on any day of year 1, the licensee shall provide an annual notice to that customer by December 31 of year 2.

b) Termination of customer relationship. A licensee is not required to provide an annual notice to a former customer. For the purposes of this Part, a former customer is an individual with whom a licensee no longer has a continuing relationship, which includes, but is not limited to, when:

1) The individual no longer is a current policyholder of an insurance product or no longer obtains insurance services with or through the licensee;

2) The individual's policy is lapsed, expired or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of 12-consecutive months, other than to provide annual privacy notices, material required by law or regulation, or promotional materials;

3) The individual's last known address according to the licensee's records is deemed invalid. An address of record is deemed invalid if mail sent to that address by the licensee has been returned by the postal authorities as undeliverable and if subsequent attempts by the licensee to obtain a current valid address for the individual have been unsuccessful; or

4) In the case of providing real estate settlement services, at the time the customer completes execution of all documents related to the real estate closing, payment for those services has been received, or the licensee has completed all of its responsibilities with respect to the settlement, including filing documents on the public record, whichever is later.

c) Delivery. When a licensee is required by this Section to deliver an annual privacy notice, the licensee shall deliver it according to Section 4002.90.

d) Affiliated Licensee. The annual notice may be provided by an affiliated licensee, as long as the notice clearly identifies all licensees to which the notice applies or states that it applies to all affiliates of the named licensee, and is accurate with respect to the licensee and other institutions and would otherwise meet the requirements of this Part.

e) Exemptions. Provision of the annual privacy notice required under this Section shall not be required when the licensee:

1) Provides nonpublic personal information to nonaffiliated third parties only in accordance with Sections 4002.130, 4002.140 and 4002.150.

2) Has not changed its policies and practices with regard to disclosing nonpublic personal information from the policies that were disclosed in the most recent disclosure sent to consumers in accordance with Section 4002.40.

f) At any time a licensee fails to comply with any of the criteria described in subsection (e), the licensee shall be required to provide the annual privacy notice required in this Section.

g) All licensees shall continue to be required to provide the initial privacy notices required by Section 4002.40.

(Source: Amended at 41 Ill. Reg. 4814, effective April 20, 2017)